CENTRAL INTELLIGENCE TORNOI

## INFORMATION REPORT

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COUNTRY	East Germany	REPORT	
	Cast German Difficulties in Obtaining Crude Oil Imports	DATE DISTR.  NO. OF PAGES	15 April 1055 25X
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- 1. Difficulties have arisen in the supply of crude oil to the East German mineral oil industry. As of late January 1955, the crude oil requirements of the following three important enterprises producing mineral oil has been covered by imports from Austria (Zistersdorf and Matsen region):
  - a. VEB Mineralcelwerk Luetzkendorf
  - b. VEB Mineralcelwerk Herrenleite
  - c. VEB Leunawerk "Walter Ulbricht", Leuna
- 2. The East German government was notified that Austria will in the future deliver crude oil only against payment in Austrian schillings. Since this currency is not available in East Germany, the East German government proposed payment in rubles. This proposal was rejected by Austria and it is therefore anticipated that imports of crude oil from Austria will entirely cease.
- 3. The first two enterprises cited above have only received two-thirds of their January 1955 requirements of Austrian crude oil. Production in these two enterprises will cease in the last week of January 1955 if no other imports arrive. The requirements of the Leunawerk are covered until 31 March 1955.
- 4. In this situation, the Ministry for Machine Construction has opened emergency negotiations with the Russian authorities for the delivery of Ukranian crude oil although the quality of this oil and the possibility of its being processed into lubricants is not known in East Germany. As a further complication the lack of suitable pump stations at the border, which are needed for the reloading of the deliveries into tank cars with different track size, will make the import of Ukranian crude oil very complicated if the Russian authorities sl<sub>25×1</sub> agree to the delivery.

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